

Minutes of Executive Session
October 19, 2016 @ 12:35 PM

Commissioners Present: Chairman Philip Brown, Commissioners Timothy Dooling, Kathy Fallon, Kate Fitzpatrick, and Jennifer Sullivan.

PERAC Staff Present: Executive Director Joseph Connarton, Deputy Executive Director Joseph Martin, General Counsel John Parsons, Deputy General Counsel/Managing Attorney Judith Corrigan, and Senior Executive Assistant Kim Boisvert.

Mr. Connarton reported that several conference calls have been held with John Schembari, from Kutack Rock (Kutak), regarding the Exclusive Benefit Rule (EBR). He distributed a memorandum from Kutak to discuss prior to discussing with the State and Teachers' Retirement Systems.

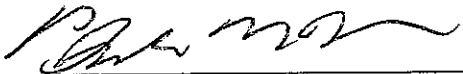
A brief discussion ensued regarding the EBR being a violation by operation of the statute, and that PERAC did nothing wrong. State and Teachers' have been talking about the EBR for years but Marty Bennison (Comptroller) put a stop to this matter for years, has been cured due to the administrative charge back. Mr. Lamenza has included these administrative costs for the last four (4) years and has now been 100% cured. One resolution could be to change the statute prospectively; there is a concern about bringing this matter to the IRS. The confluence of the COLA and ORP matter is much more concerning than the PERAC issue. Administration and Finance wants to be involved with all of the matters discussed.

Mr. Connarton and is concerned that this matter is coming from those we oversee. He suggested sharing the Kutak memo with State, Teachers', and Ice Miller in an attempt to correct the matter. He continued that if the idea fails he would reach out to the Commission to address the Administration and the Treasurer.

Commissioner Sullivan stated that A&F is committed to resolving this matter without involving the IRS.

A roll call vote was taken to adjourn the Executive Session and reconvene in open session at 1:17 PM and was recorded as follows Chairman Philip Brown YES, Commissioners Timothy Dooling YES, Kathy Fallon YES, Kate Fitzpatrick YES, and Jennifer Sullivan YES.

Approved:



Philip Y. Brown, Chairman
Public Employee Retirement Administration Commission